

House of Representatives Standing Committee on Indigenous Affairs

**Pathways and Participation Opportunities for
Indigenous Australians in Employment and Business**

QUESTION ON NOTICE

Date of hearing: 27 May 2021

Outcome: Employment

Department of Education, Skills and Employment Question No. IQ21-000047

Mr Julian Leeser MP on 27 May 2021, Proof Hansard page 2

jobactive provider and VTEC provider

Question

Ms Jensen: If there is an outcome as a result of a jobactive referring an Indigenous jobseeker to a VTEC and the VTEC gets them into work, the jobactive gets an outcome to reflect the fact that it's done a lot of preparatory work with that jobseeker and also so as not to discourage them from making sure those referral pathways operate effectively. The one exception is where the jobactive provider and the VTEC provider are the same entity. In that case, obviously, they can only get one outcome.

CHAIR: Are there many instances of that?

Ms Jensen: I'd need to take that on notice.

Answer

From 1 July 2015 to 31 May 2021, there have been 251 instances where a job seeker has been serviced by a jobactive provider and a VTEC provider that is the same entity, which has then resulted in an outcome being claimed for that job seeker by that entity.

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QUESTION ON NOTICE

Date of hearing: 27 May 2021

Outcome: Employment

Department of Education, Skills and Employment Question No. IQ21-000050

Hon Warren Snowdon MP on 27 May 2021, Proof Hansard page 3

Small-area labour markets

Question

Mr SNOWDON: That's the other question I have, and I've asked this question previously: how deep is the understanding of these small-area labour markets? I'm not talking about labour markets of 5,000 or 10,000; I'm talking about labour markets of 500 or 3,000—discrete little communities.

Ms Jensen: I can tell you that the National Skills Commission constructs the small-area labour markets, and the way they do that, because the ABS doesn't provide data at that level of granularity, is to draw on a range of data, particularly the number of recipients on jobseeker at that small area level. Then they use an estimate and interpret from the ABS data at a larger scale and what the welfare data is in that small-area labour market, to construct the small-area labour market data. If you want some more information, we could take that on notice and get the NSC to give you a fuller explanation of how they do it.

Mr SNOWDON: If you could, please, because, ultimately, for my purposes, understanding what's happening in Galiwin'ku as opposed to what's happening in Arnhem Land as a greater region is important, as it is to understand what's happening in Milingimbi or outstations out of Gove—or Yirrkala—and understanding what the movement of people is like, what the jobs are, if there are jobs, what job assistance is available to them and how they get it, what training is provided for them and how they get it. These are the ones which will actually make a difference. If you're talking about a small-area labour market in regional Queensland, for example, you'll have access to services which you currently don't have access to in these parts of remote Australia. That's why I asked the question.

Answer

Summary:

The National Skills Commission produces the quarterly *Small Area Labour Markets* (SALM) publication which presents estimates of unemployment, labour force and the unemployment rate at the ABS Statistical Area 2 (SA2) and Local Government Area (LGA) levels. The estimates reflect the regional disparities in Centrelink job seeker data while being consistent with the ABS *Labour Force Survey* (LFS) estimates.

Methodology:

The SALM unemployment estimates are produced by apportioning the level of unemployment at the ABS Statistical Area Level 4 (SA4), the smallest geographical unit for which ABS LFS estimates are published, across each SA2 within that SA4 in accordance with the distribution of Centrelink Newstart Allowance/JobSeeker Payment and Youth Allowance (other) beneficiaries at the SA2 level.

The SALM labour force estimates are produced by taking the participation rate for the SA2 from the most recent Census and applying it to the latest available (currently June 2019) population estimate for that SA2 in order to produce a 'labour force weighting' for the SA2 within the broader SA4. The labour force at the SA4 level (from the LFS) is then allocated among the SA2s within that SA4 in accordance with the labour force weighting. By using the Census participation rates and the latest available population data, the SA2 labour force estimates can adjust to changes in the distribution of the population within an SA4 that have occurred since the last Census.

The SALM unemployment rate estimates are then produced by expressing the level of unemployment as a share of the labour force (consistent with ABS methodology).

Usefulness and limits of SALM:

The SALM unemployment rate can provide some indication of the strength of labour market conditions in a given SA2 or LGA. Changes in SALM unemployment rates over time can also suggest whether labour market conditions in an area are improving or deteriorating. In addition, as labour market conditions can vary considerably within an SA4, as well as between them, SALM unemployment rates can also provide some insight into SA2s which are particularly disadvantaged.

It is important to note that SALM estimates are highly disaggregated and can display significant variability, particularly when the underlying ABS LFS data (at the SA4 level) are volatile, which is often the case in more remote parts of Australia. As the reliability of the SALM estimates are related to the size of the SA2s, estimates are only published for those SA2s with a labour force of 100 or more. In addition, particular caution should be exercised when interpreting SALM data for SA2s and LGAs with a labour force of less than 1,000.

More information on the SALM methodology and data is available from the [SALM page](#) on the National Skills Commission's Labour Market Information Portal.

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QUESTION ON NOTICE

Date of hearing: 27 May 2021

Outcome: Skills and Training

Department of Education, Skills and Employment Question No. IQ21-000051

Hon Warren Snowdon MP on 27 May 2021, Proof Hansard page 6

Apprenticeships and workforce skills

Question

Mr SNOWDON: What I'm trying to get to is a discussion about who are the providers in these remote communities in Australia? And, in particular, I want to know about the performance of Batchelor College and what they're doing in terms of their VTET responsibilities and the intersection between those responsibilities and higher education. From where I live, I know that people are finding it very difficult—not through Batchelor necessarily but ordinarily—to get access to apprenticeships, for example, and other training of quality that would provide them with the skills they require to get the jobs that we want them to get, and that depends on where they live, clearly. So I would be grateful if you could provide us with a bit more detail.

Mr Martin: I can certainly take that on notice.

Answer

Higher Education and VET service delivery in remote Northern Australia

Across Northern Australia, there is a diverse profile of Higher Education and Vocational Education and Training (VET) providers offering students' educational pathways which can lead to employment. It is important to note, the role of the Commonwealth varies in the funding and provision of higher education and VET.

Higher Education

Higher Education providers are largely autonomous, and the Australian Government generally does not intervene in their administration or operational decisions. Providers are, however, required to meet a range of standards to maintain registration with the Tertiary Education Quality and Standards Agency (TEQSA), as set out in the Higher Education Standards Framework 2015. Other governing legislation may also apply to providers who are established through state and territory laws.

Vocational Education and Training

State and Territory governments are primarily responsible for the delivery of VET, including apprenticeships and traineeships, within their jurisdictions. Registered Training Organisations (RTOs) are required to comply with the National Vocational Education and Training Regulator Act 2011 and the Standards for Registered Training Organisations (RTO) 2015 and other subordinate legislation. The Australian Skills Quality Authority (ASQA) is the national regulator for VET and is responsible for ensuring providers are meeting the

requirements of the Standards for RTOs. States and territories are responsible for the regulation of apprenticeships and traineeships training contracts as well as ensuring RTO compliance with VET funding criteria within their jurisdiction. VET funding criteria may vary between jurisdictions as each state and territory is responsible for contracting RTOs to deliver government funding arrangements for courses, including subsidies, concession and fees. The Australian Government has responsibility for the delivery of foundation skills programs, such as, the Skills for Education and Employment (SEE) program, Foundation Skills for Your Future program and the Remote Community Pilots.

As at 1 May 2021, around 47 training providers were based across remote Northern Australia (Queensland, Northern Territory, and northern Western Australia). Around half of these providers are privately operated registered training organisations, with the remainder comprising a mix of community, school and university based organisations, industry associations, Technical and Further Education Institutes (TAFEs) and non-government enterprises.

The Batchelor Institute of Indigenous Tertiary Education

The Batchelor Institute of Indigenous Tertiary Education (BIITE) is a dual sector provider operating in the Northern Territory. The Institute maintains a current registration with ASQA and TEQSA. The Australian Government contributes funding for the delivery of VET under the National Agreement for Skills and Workforce Development with each state and territory government responsible for controlling how that funding is allocated within their jurisdiction. BIITE are also eligible for Australian Government funding under the Higher Education Support Act 2003, and receive National Institutes funding in recognition of their national role in serving the educational needs of Indigenous Australians. There is currently no requirement for BIITE to report how its National Institutes funding is spent each year.

Questions relating to the performance of VET providers, or the delivery of training for apprentices and trainees are a matter for the Northern Territory government.

VET Reform Agenda – Improving accessibility

Australia's VET system is undergoing fundamental structural and long-term reform to improve efficiency, transparency and confidence in the sector, so that Australians – including those in remote locations – can access high quality and relevant training, and employers can access the skilled workers they need.

In August 2020, all governments signed onto the Heads of Agreement for Skills Reform, committing to reforming the VET system and developing a new National Skills Agreement to replace the National Agreement on Skills and Workforce Development.

The new Agreement will deliver a more consistent, and fairer VET system while maintaining states' ability to respond to local skills needs and supporting Australia's economic growth. The drive for quality across the VET system underpins all of these reforms.

National Cabinet has established the Skills National Cabinet Reform Committee and tasked it with developing the new Agreement by August 2021, to be implemented from 1 January 2022.

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Date of hearing: 27 May 2021

Outcome: Employment

Department of Education, Skills and Employment Question No. IQ21-000052

Mr Julian Leeser MP on 27 May 2021, Proof Hansard page 14

Indigenous jobseekers

Question

CHAIR: I'll draw your attention to the evidence we were given at Liverpool on 29 April. We asked previously for the group of Indigenous jobseekers in stream C. I wonder if you might give us stats for the Indigenous jobseekers in the other streams—

Ms Sheffield: Would you like that on notice?

CHAIR: I think we might take that on notice given the time.

Answer

In total, at 31 May 2021, there were 103,033 Indigenous job seekers on the jobactive, New Employment Services Trial (NEST) and Online Employment Services (OES) caseloads. The following tables show how many Indigenous job seekers were participating in each of these services on this date, and in which stream.

Table 1: jobactive

jobactive Stream	Indigenous caseload
Stream A Volunteer	282
Stream A	18,170
Stream B	53,010
Stream C	18,178
Stream not determined	911
Total	90,551

Table 2: New Employment Services Trial

Service Level	Indigenous caseload
Digital Volunteer	54
Digital First	557
Digital Plus	290
Enhanced Services Tier 1	2,305
Enhanced Services Tier 2	962
Total	4,168

The Trial is operating in two Employment Regions – Adelaide South in South Australia and Mid North Coast in New South Wales.

Table 3: Online Employment Services

Stream	Indigenous caseload
Volunteer Online Employment Services Trial	1,218
Online Employment Services	7,096
Total	8,314

Further information on the number of Indigenous Australian job seekers is published on the Labour Market Information Portal (LMIP). This includes data for both jobactive and Transition to Work (TtW), and includes data at the Employment Region level.

The LMIP is here: <https://lmip.gov.au/default.aspx?LMIP/Downloads/EmploymentRegion>

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QUESTION ON NOTICE

Date of hearing: 27 May 2021

Outcome: Corporate

Department of Education, Skills and Employment Question No. IQ21-000053

Mr Julian Leeser MP on 27 May 2021, Proof Hansard page 14-15

Procurement and contracts

Question

CHAIR: I have a question for Mr Martin, I suspect, about the Indigenous procurement program in your department. What can you tell us about the number of businesses, value of contracts and the areas where they are providing services to you?

Ms Jensen: Can I just clarify your question? Is it about the department as a whole, and the—

CHAIR: Yes, it is the department as a whole.

Ms Jensen: The whole procurement, or employment programs in particular?

CHAIR: It is the department as a whole. Are you only able to talk about employment programs?

Mr Bulman: Just for more clarity, are you talking about the Indigenous procurement policy?

CHAIR: Correct.

Mr Bulman: Out of the whole education department spend, how much went through the IPP?

CHAIR: Yes.

Mr Bulman: We can do that.

CHAIR: Yes, I would like to understand a bit of that. Are you going to take questions on procurement on notice?

Ms Jensen: Yes, in terms of that—

Mr Martin: We will have to take that on notice. I do have a separate role as Indigenous co-champion in the department. So I do see some of that reporting, and I know the portfolio is above the target set against Indigenous procurement.

CHAIR: I was hoping we would have somebody here who could answer other questions on this. We have other Commonwealth agencies before us, and I want to understand what sorts of businesses are involved, what do they supply you with and what are the value of the contracts. How has that differed since the procurement program came in? What are you doing to prevent black cladding? It's those sorts of questions that relate to the other part. Maybe less from the NIAA, and we might talk to you later—we're trying to hear from individual Commonwealth departments and agencies on what they're actually doing here.

Ms Jensen: I apologise, because I thought what you were after was specifically related to employment. So, apologies; we didn't quite understand it was the wider corporate thing.

Mr Martin: But we can take that on notice.

CHAIR: If you can take that slab of questions.

Answer

Out of the whole education department spend, how much went through the IPP?

The Department of Education, Skills and Employment (DESE) was established on 1 February 2020.

For the period 1 February 2020 to 30 June 2020, DESE awarded 40 contracts valued at \$4.05 million to Indigenous suppliers.

For the period 1 July 2020 to 31 May 2021, DESE awarded 276 contracts valued at \$49.9 million to Indigenous suppliers.

What can you tell us about the number of businesses, value of contracts and the areas where they are providing services to you?

DESE Indigenous Procurement Policy (IPP) Contract Summary:
1 February 2020 (when DESE was formed) to 30 June 2020

Commodity Type	Sum of Contract Value	Number of Indigenous Business
Communications device	\$34,419	1
Components for information technology	\$241,325	7
Computer equipment	\$1,503,374	9
Computer services	\$254,016	1
Education and Training	\$3,000	1
Management advisory	\$785,128	4
Occupational health	\$5,000	1
Personnel recruitment	\$49,000	1
Printing	\$6,677	1
Research programs	\$57,672	1
Software maintenance	\$603,959	2
Software maintenance and support	\$182,042	2
Temporary personnel	\$318,805	7
Cleaning and janitorial supplies	\$10,493	2
Total	\$4,054,910	40

DESE IPP Contract Summary: 1 July 2020 to 31 May 2021

Commodity Type	Sum of Contract Value	Number of Indigenous Business
Accounting services	\$660,577	5
Civic organizations and associations	\$16,500	1
Communications device	\$313,327	9
Community and social	\$219,522	1
Components for information technology	\$1,633,982	26
Computer equipment	\$17,824,251	75
Computer hardware maintenance	\$1,260,502	6
Computer services	\$1,973,624	4
Corporate objectives	\$276,403	2
Education and training	\$8,908,189	9
Events management	\$65,764	2
Hardware	\$24,502	1
Internal audits	\$75,562	1
Layout or graphic design	\$115,896	1
Management advisory	\$923,785	10
Network security equipment	\$11,750	1
Office furniture	\$2,558,974	2
Personnel recruitment	\$4,544,358	14
Photographic and recording	\$160,990	2
Property management	\$3,449	1
Research programs	\$834,421	5
Software	\$67,073	1
Software maintenance	\$97,590	11
Temporary personnel	\$6,553,254	78
Unemployment service	\$288,166	2
Visual art services	\$85,305	2
Graphic design	\$97,293	1
Furniture and furnishing	\$1,981	1
Market research	\$286,809	1
Editorial and design	\$39,993	1
Total	\$49,923,792	276

How has that differed since the procurement program came in?

DESE was established on 1 February 2020. For 2020–21, the DESE IPP performance target, set by the National Indigenous Australians Agency, is a total value of \$9.39 million. For 2020–21, as at 31 May 2021, DESE has awarded 276 contracts valued at \$49,923,792.

What are you doing to prevent black cladding?

There are obligations under the National Indigenous Australians Agency Indigenous Procurement Policy that form part of the DESE procurement process. Departmental guidance to delegates includes the use of Supply Nation as part of procurement processes.

Guidance from Supply Nation on “black cladding” is available on the department’s IPP intranet site.